Losses suffered by FCI

*192. SHRI PRAMOD MAHAJAN:
SHRI G. Y. KRISHNAN:

Will the Minister of FOOD be pleased to state:

(a) whether the Food Corporation of India (FCI) has been incurring heavy losses between Rs. 1000 to 2000 crores annually;

(b) if so, what are the details in this regard and the extent of losses suffered by FCI during each of the last three years particularly on account of pilferage, interest burden on credits for procurement and record maintenance;

(c) what is the quantity and value of present (i) holding stock of foodgrains in the country as against the buffer stock level, (ii) foodgrains procured so far and likely to be procured in 1994 and (iii) how much of it is kept in storage godowns of FCI;

(d) what is the quantity and value of foodgrains at present lying in the open, State-wise, left to the vagaries of weather and insects and how much of it has become unfit for human consumption and how Government propose to dispose it of; and

(e) what steps Government have so far taken or propose to take to check the heavy losses and create additional warehousing facilities for the storage of foodgrains?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD (SHRI KALP NATH RAI): (a) Food Corporation of India does not operate on profit basis. It procures foodgrain at a higher cost and destributes them at a price lower than the economic cost. The difference between the economic cost and the issue price is reimbursed to FCI in the form of subsidy. Subsidy released to FCI during the years 1992-93 and 1993-94 is Rs. 2785 crores and Rs. 5537 crores respectively. For the current year, a provision of Rs. 4000 crores has been made in the budget estimate for this purpose.

(b) The amount of subsidy released to FCI includes interalia the losses on account of pilferage and interest on working capital. In 1992-93, FCI incurred losses of Rs. 8 lakh on account of pilferage thefts and incurred an interest liability of Rs. 908.57 crores.

(c) (i) The quantity and value of stocks prescribed as per buffer stocking norms and the actual stock held along with its value as on 1-7-1994 are as under:—

Quantity : Lakh tonnes

Value : Rs. Crores

	Minimum required stock level		Available stocks (Estimated)	
	Qty.	Value	Qty.	Value
Wheat	131	5012	175.00	6700*
Rice	92	5285	132.61	7617

* Includes around 80 lakh tonnes of wheat with Punjab/Haryana State Govts./agencies.

(ii) As on 1-8-1994, foodgrains procured by the Food Corporation of India as well as its agencies was as under:—

Rabi 1994-95	118.59 lakh tonnes
Kharif 1993-94	136.05 lakh tonnes

As the procurement of wheat and paddy for the Central Pool under the Price Support Scheme is totally voluntary, no targets as such can be fixed for procurement of the foodgrains.

(iii) As on 31-5-1994, the details of the foodgrains stored in the godowns of the Food Corporaion of India are as under:—

(Figure in lakh tonnes)

Covered	CAP	Total
195.05	33.61	228.66

(d) The quantity of foodgrains stored in open i.e. under cover and plinth (CAP) is indicated State-wise in the Statement (See below). Storage in open is necessitated at times to meet urgent local storage requirement. All stocks are scientifically stored under CAP to protect them from vagaries of weather and pests and does does not necesary lead to damage to the foodgrains. However, in spite of precautionary measures, some negligible quantity is damaged in CAP due to adverse climatic conditions such as unprecedented rains, floods, cyclones etc. The details of damage to foodgrain stocks in CAP during the years 1991-92 and 1992-93 and their value are as under:

Year	Quantity damaged in CAP	Value in Rupees on account of these damages
1991-92	304.9 tonnes	Rs. 5,83,315.08
1992-93	316.8 tonnes	Rs. 8,83,819.30

The foodgrain stocks damaged in CAP due to adverse climatic conditions are categorised depending upon the percentage of sound grains left in such damaged stocks and disposed of as Cattle feed, Poultry feed, Industrial we, Manure and by dumping.

(e) Food Corporation of India has taken various measurs to prevent/minimise the losses. Some of the important measures taken in this regard are:

(1) Installation of weigh-bridges in godowns.

(2) Augmentation of covered storage capacity.

(3) Encouraging machine stitching of the bags.

(4) Installation of in-motion wagon weigh-bridges.

(5) Reduction in the quantum of foodgrain filled in each bag.

(6) Administrative measures such as tightening of security in depots, intensifying surprise checks, ensuring regular stock verification etc.

At macro level the existing storage capacity of the Food Corporation of India is adequate to meet the storage requirement. However, to take care of the needs of hilly, inaccessible and heavy procurement areas, the Food Corporation of India has plans to construct additional capacity of 6.62 lakh tonnes during the 8th Plan.

(Qty: Lakh Tonnes)

(Value: Rs. Crores)

Sl.No	Region/State	Wheat		Paddy	
		Quantity	Value	Quantity	Value
1	Delhi	0.48	18.37	..	..
2	Punjab	14.33	548.28	0.15	5.81
3	Haryana	1.07	40.94	0.02	0.78
4	Rajasthan	3.86	147.69	0.04	1.56
	Uttar Pradesh	3.85	147.30	..	..
6	Tamil Nadu	0.56	21.43	0.02	0.78
7	Andhra Pradesh	2.99	114.40	0.12	4.66
8	Karnataka	0.19	7.27	..	..
9	Kerala	0.04	1.53	..	..
10	Maharashtra	1.95	74.60	..	..
11	Gujarat	3.53	135.06	..	..
12	Madhya Pradesh	0.41	15.69	..	..
		33.26	1272.56	0.35	13.59

Decision about IISCO

*193. SHRI MOOLCHAND MEENA:
SHRI SANJAY DALMIA :

Will the Minister of STEEL be pleased to state :

(a) whether Government have since taken any decision about the IISCO in Burnpur; and

(b) if not, by when a final decision is likely to be taken ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) and (b). It has not been possible for the Government to take an investment decision for modernisation of Indian Iron and Steel Company Limited (IISCO) due to constraint of resources in Government and Steel Authority of India Limited (of which IISCO is a subsidiary).

Government therefore, decided to allow private sector participation in the equity and management of IISCO for the purpose of ensuring expeditious modernisation of its Burnpur Steel Works. Government proposed to introduce a Bill for empowering Government to allow SAIL to transfer its shareholdings in IISCO to private persons for this purpose. The Bill was considered by the Department Related Parliamentary Standing Committee on Industry, which presented its Report to Parliament in April, 1994. The various recommendations made in the Report are being considered by Government.